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June 3, 2024

Trent Harkrader (Michele.Berlove@fcc.gov)
Chief
Wireline Competition Bureau
Federal Communications Commission

Re: Your letter dated June 3, 2024

Dear Mr. Harkrader:

It is a pleasure to hear from you. The FCC has pretty-much refused to talk to anybody from SIC since 2017 or 2018. Prior to that time, I made several trips to Washington D.C. to meet with the FCC and try to find a resolution. Then one day, after I had traveled to Washington, I was informed that there was not going to be a meeting. Since that time, we have not received any communication of substance from the FCC. Perhaps you were not aware of this history.

Perhaps you are not aware that the United States sought a court order for the sell-off of SIC's remaining assets. That order expressly provided that any "qualified bid" had to take over service to the Hawaiian Home Lands. Specifically, that order said:

d. Qualified Bid Requirements. For a bid to be deemed a qualified bid (a "Qualified Bid"), it shall ...

ix. ... Document the proposed use of the Property, including how the proposed use of the Property shall benefit the residents of the Hawaiian Home Lands and **the bidder's capability to provide continuity of service in accordance with Sandwich Isles Communications, Inc.'s License** from the date the court confirms the purchase.

In reliance on the Court's order, SIC gave notice to its employees that their employment would terminate after the auction. SIC also terminated certain trunk leases for the same reason.

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In violation of the Court's order, the United States has accepted an offer from Hawaiian Telcom that does not provide for "continuity of service." It is the United States' decision that now leaves the Hawaiian Home Lands with no one to provide service. It is the same United States that represented the FCC successfully keeping the FCC out of these proceedings leading to this auction.

Thus, I think your ire is directed at the wrong party. The United States, having accepted Hawaiian Telcom's "bid" that, contrary to the Court's order, does not "provide continuity of service" has created this problem. After the United States accepted Hawaiian Telcom's offer, SIC's lenders which made it possible for SIC to continue to provide service all these years cut off any further funding. The lenders did not see any reason to keep throwing good money after it became apparent its previous lending was never going to be recovered. Therefore, we are hopeful that someone will come up with a source of funds to keep service available. If not, SIC will be ending service at the end of this week for lack of funds. There is one area of Hawaiian Home Lands that has been without service for the past three weeks because SIC does not have the funds to repair the damage caused by the electric utility's blackout.

If the FCC is interested in trying to help find a solution to this unfortunate situation, the Honorable Magistrate Judge Kevin S. C. Chang has been serving as a mediator to try to assist. I am sure Judge Chang would welcome the FCC's participation. It seems to me that the only way we will ever get a resolution will be if the FCC, and the Hawaii Department of Hawaiian Home Lands, participate in good faith in seeking a resolution, so I am very happy to hear from you and I hope you will recognize that Judge Chang's mediation provides an appropriate opportunity to reach a final resolution of this matter that benefits all parties, especially the customers on the Hawaiian Home Lands.

I would love to discuss the situation further with you.

Very truly yours,



LEX R. SMITH

for

KOBAYASHI, SUGITA & GODA, LLP

cc: Jim Bird, Esq.
Kevin Herring, Esq.
Shane Huang, Esq.
Miniard Culpepper, Esq.